

114TH CONGRESS
1ST SESSION

S. 2038

To provide certainty that Congress and the Administration will undertake substantive and structural housing finance reform, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 16, 2015

Mr. CORKER (for himself, Mr. WARNER, Mr. VITTER, and Ms. WARREN) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To provide certainty that Congress and the Administration will undertake substantive and structural housing finance reform, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Jumpstart GSE Re-
5 form Act”.

6 **SEC. 2. DEFINITIONS.**

7 As used in this Act, the following definitions shall
8 apply:

1 (1) ENTERPRISE.—The term “enterprise” has
2 the same meaning as in section 1303 of the Federal
3 Housing Enterprises Financial Safety and Sound-
4 ness Act of 1992.

5 (2) GUARANTEE FEE.—The term “guarantee
6 fee” has the same meaning as in section 1327(a) of
7 the Housing and Community Development Act of
8 1992 (12 U.S.C. 4547(a)).

9 (3) SECRETARY.—The term “Secretary” means
10 the Secretary of the Treasury.

11 (4) SENIOR PREFERRED STOCK PURCHASE
12 AGREEMENT.—The term “Senior Preferred Stock
13 Purchase Agreement” means—

14 (A) the Amended and Restated Senior Pre-
15 ferred Stock Purchase Agreement, dated Sep-
16 tember 26, 2008, as such Agreement has been
17 amended on May 6, 2009, December 24, 2009,
18 and August 17, 2012, respectively, and as such
19 Agreement may be further amended and re-
20 stated, entered into between the Department of
21 the Treasury and each enterprise, as applicable;
22 and

23 (B) any provision of any certificate in con-
24 nection with such Agreement creating or desig-
25 nating the terms, powers, preferences, privi-

1 leges, limitations, or any other conditions of the
 2 Variable Liquidation Preference Senior Pre-
 3 ferred Stock of an enterprise issued or sold pur-
 4 suant to such Agreement.

5 **SEC. 3. PROHIBITION ON USE OF GUARANTEE FEES TO**
 6 **OFFSET OTHER GOVERNMENT SPENDING.**

7 An increase in the guarantee fee required to be
 8 charged by an enterprise may not be used to offset an
 9 increase in outlays or a reduction in revenues for any pur-
 10 pose other than those related to the enterprises' business
 11 functions under—

- 12 (1) the congressional budget;
- 13 (2) the Balanced Budget and Emergency Def-
 14 icit Control Act of 1985; or
- 15 (3) the Statutory Pay-As-You-Go Act of 2010.

16 **SEC. 4. LIMITATIONS ON SALE OF PREFERRED STOCK.**

17 Notwithstanding any other provision of law or any
 18 provision of the Senior Preferred Stock Purchase Agree-
 19 ment, the Secretary may not sell, transfer, relinquish, liq-
 20 uidate, divest, or otherwise dispose of any outstanding
 21 shares of senior preferred stock acquired pursuant to the
 22 Senior Preferred Stock Purchase Agreement, until such
 23 time as Congress has passed and the President has signed
 24 into law legislation that includes a specific instruction to
 25 the Secretary regarding the sale, transfer, relinquishment,

- 1 liquidation, divestiture, or other disposition of the senior
- 2 preferred stock so acquired.

